



# **Judicial Council of California**

## **Administrative Office of the Courts**

Trial Court Financial Policies and Procedures	Procedure No.	<b>FIN 4.01</b>
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# **BUDGET DEVELOPMENT**

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# Budget Development

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## 2.0 Purpose

The purpose of this policy is to present uniform guidelines for the trial court to use in developing and managing its annual budget.

## 3.0 Policy Statement

The trial court is responsible for developing and managing its budget so that its resources are utilized efficiently and effectively, in a manner that inspires public confidence in the court. It is the policy of the trial court to comply with applicable legislation and follow the procedures adopted by the Judicial Council for budget development and management.

## 4.0 Application

This procedure applies to all trial court officials and employees.

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## 5.0 Definitions

The terms defined below apply to this policy and are for the express purpose of interpreting this policy.

1. **Administrative Office of the Courts.** The organization established by the Judicial Council to serve the courts of California and provide them with administrative support.
2. **Baseline Budget.** The level of funding provided to support current court operations. Generally, the baseline budget is developed as follows:
  - Current Year Allocations**
  - + Annualized Partial Year Costs**
  - One-time Funding**
  - = Baseline Budget**
3. **Budget.** A plan for the financial operation of the trial court for a specified time period, usually a fiscal year.
4. **Budget Act.** The legislative action signed into law by the Governor that provides appropriations for the operation of the State government, including the trial courts, for the coming fiscal year.
5. **Budget Change Proposals.** A proposal to change the level of service or funding sources for activities authorized by the Legislature, or to propose new program activities not currently authorized. Because increases to trial court funding are now primarily provided by the annual State Appropriations Limit (SAL) funding adjustment, budget change proposals for trial court funding are limited to proposals to address new costs that are result of legislative or other changes to operations and programs that are not funded by the SAL funding adjustment. Submission of the budget change proposal to request funding through

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the annual State budget process in these circumstances is permitted by Government Code Section 77202(2).

6. **Cost Information Survey.** The method used to obtain cost information from each trial court for specific program areas, as needed for determining funding allocations.
7. **Fiscal Year.** The 12-month budgeting and accounting period. The State of California's fiscal year begins on July 1 and runs through the following June 30.
8. **Judicial Council.** The governing body of the California courts established in 1926 by article VI, section 6 of the Constitution of California. Under the leadership of the Chief Justice, the Judicial Council is responsible for ensuring the consistent, independent, impartial, and accessible administration of justice (GC 68070, GC 77001, CRC 6.1).
9. **State Appropriations Limit (SAL) Funding Adjustment.** The annual funding adjustment for trial court operating costs is computed based upon the year-to-year change in the State Appropriations Limit. The State Appropriations Limit is an annual cap on state expenditures, which incorporates changes in the state population, average daily school attendance, and the change in California Per Capita Personal Income.
10. **SAL Adjustment Allocation Process.** The annual process for adjusting the trial courts' base budgets by the allocation of resources provided by the SAL Funding Adjustment. The method employed for this process is designed to ensure distribution to courts of new monies to address specified court non-discretionary costs on a state-wide basis, to provide for increases and adjustments in funding for reimbursable costs, to provide for annual consideration of Judicial Council funding priorities, to allocate discretionary funds for the courts to use to address operational needs, and to provide a means of

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addressing funding for under-resourced courts and courts with growing workloads due to population increases.

#### **11. Trial Court SAL Growth Factor Allocation Template (Template).**

The Template, employed as a function of the SAL Adjustment Allocation process, which displays the computed allocation for each area of trial court expenditure. A sample of this Template is in 7.0 Associated Documents.

### **6.0 Text**

The passage of the Lockyer-Isenberg Trial Court Funding Act of 1997 placed principal responsibility for funding trial court operations on the state. The trial court receives annual allocations from the Judicial Council based on appropriations in the state budget for statewide trial court operations. The trial court operates on the state fiscal year and according to the state budget cycle. Chapter 227, Statutes of 2004, specified an annual adjustment to the trial court budget to be calculated based upon the year-to-year change in the SAL. The SAL funding adjustment is intended to provide adequate base funding for the courts and fiscal independence for the judicial branch in managing trial courts' budgets.

#### **6.1 Sources of Trial Court Funding**

1. The trial court's primary source of state funding is the Trial Court Trust Fund. The court may also receive state funding for specific purposes from other sources including the Trial Court Improvement Fund, and the Judicial Administration Efficiency and Modernization Fund. In addition, various grants are received by the Judicial Council and passed through to the trial courts. The court may also receive direct local revenues as well as revenues from the county depending on the terms of its Memorandum of Understanding with the county.
2. All money received by the trial court is deposited into the Trial Court Operations Fund.

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### 6.1.1 Trial Court Trust Fund

1. Each year the Budget Act contains an appropriation to the Judicial Council for the general operations of the trial courts.<sup>1</sup> Money appropriated for trial court operations is deposited into the Trial Court Trust Fund<sup>2</sup>, which is administered by the Judicial Council. The Judicial Council is responsible for allocating funds from the Trial Court Trust Fund to the individual trial courts in a way that: (1) assures the courts' ability to carry out their functions, (2) promotes implementation of statewide policies, and (3) promotes the immediate implementation of efficiencies and cost saving measures in court operations, to guarantee equal access to the courts<sup>3</sup>.
2. The Trial Court Trust Fund has three revenue sources. First, over half of the money that flows into the Trial Court Trust Fund comes directly from the annual appropriation of the State General Fund. Second, the counties are required to submit Maintenance of Effort (MOE) payments to the state. The 20 largest counties make Expenditure MOE payments based on county funding provided to local courts in fiscal year 1994–1995, as established by the Trial Court Funding Act and subsequent legislation (GC 77201.1). All counties make Revenue MOE payments based on fine, fee and forfeiture collections in fiscal year 1994-1995. Third, civil filing fees collected by trial courts and remitted to the Fund by the counties make up the balance of Trial Court Trust Fund revenues.

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<sup>1</sup> Government Code 77202

<sup>2</sup> Government Code 68085

<sup>3</sup> Government Code 68502.5 (c).

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### **6.1.2 Trial Court Improvement Fund**

1. Government Code Section 77209 established the Trial Court Improvement Fund to fund improvements in the statewide trial court system. The Judicial Council allocates portions of this fund to special projects that benefit the statewide trial court system, or to approved projects in individual trial courts.
  
2. The Trial Court Improvement Fund is continuously appropriated. Three sources of state revenue support the Trial Court Improvement Fund:
  - a. Transfer of a mandated one percent of the annual state budget appropriation for trial court operations from the Trial Court Trust Fund.
  - b. Deposit of the first two percent of fines, forfeitures and penalties collected by the court in criminal cases (referred to as 2 Percent Automation Fund revenues).
  - c. "Excess revenues", which are equal to one-half of any fee, fine and forfeiture collections above the level collected in fiscal year 1994–1995 (known as 50-50 split, counties retain the balance).
  
3. The one percent transfer from the Trial Court Trust Fund is allocated to projects that improve the provision of justice in the courts:
  - a. Half of this amount is held until March 15<sup>th</sup> of each fiscal year as a protection against urgent needs and fiscal emergencies.
  - b. The other half of this amount is available for courts that have fully unified and meet Judicial Council approved criteria (up to 1/4 of 1%), and statewide projects and programs that benefit the trial courts (up to 1/4 of 1%).

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### 6.1.3 Judicial Administration Efficiency and Modernization Fund

1. GC 77213 establishes the Judicial Administration Efficiency and Modernization Fund “to promote improved access, efficiency and effectiveness in trial courts that have unified to the fullest extent permitted by law.” The Judicial Council delegates administration of the fund to the AOC. The fund may be used for, but is not limited to, the following:
  - a. The costs of in-state education programs for judicial officers or court staff, or the support of local trial court education programs.
  - b. Improved technology including information systems programming or equipment that meets Judicial Council standards.
  - c. Pilot projects to improve trial court operations, programs, or administration.
2. The following limits are placed on the ways in which the Judicial Administration and Modernization Fund may be used:
  - a. No more than 20 percent of the fund may be permanently allocated to projects that support educational programs for judicial officials and trial court staff.
  - b. No more than 40 percent may be permanently reallocated to the trial courts for any other purpose approved by the Judicial Council.
  - c. At least 40 percent of the funds must be retained to support annual allocations to improvement programs and projects for qualifying trial courts. This ensures that funds are available for new pilot projects or programs.



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3. The Judicial Administration and Modernization Fund is supported by annual appropriations from the State General Fund. If the base amount for calculation of the SAL funding adjustment includes the annual amount transferred from the General Fund to Judicial Administrative and Modernization Fund, the portion of the SAL funding adjustment that is computed based upon this transfer will be transferred to this fund.

## 6.2 State Budget Cycle and Timelines

There are two major phases of the state budget cycle – **development** and **implementation**. The development phase includes evaluation of current year activities and performance and planning for future year fiscal requirements. The implementation phase includes establishing budgetary controls through appropriation, allocation and budget execution, or in accounting terms, the recording and management of revenues, expenditures and encumbrances.

### 6.2.1 Budget Development Process

1. The Judicial Council is ultimately responsible for adopting a budget and allocating funding to the trial courts under GC 68502.5.
2. The trial court's right to provide input into the Judicial Council budget process is provided for in GC 77001 (d).
3. The development of the annual budget and allocation schedule for trial court operations is based upon the Judicial Council approved methodology for allocation of the annual SAL adjustment funding. The process includes the use of the Template (See 7.0 Associated Documents). The general allocation process and methodology, including the use and application of the Template, and policy guidelines are described below:

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- a. The amount of total funding that is available for allocation is determined and listed on the Template. This total includes the SAL funding adjustment amount, and is adjusted by any prior year excess funds or for other transfers, including transfers to/from the Trial Court Employee Retirement Account. (Note: The employer share of retirement rate increases for employees (excluding marshals and other security employees) will be fully funded even when the SAL adjustment rate is less than the percentage increase in employee retirement costs. In the event that the SAL adjustment rate exceeds the percentage increase in employee retirement rate costs on a statewide basis, the excess funding will be set aside in this account to address future retirement rate increases.)
- b. The Template then displays the amount of funding that is needed for the trial court cost areas that are funded based upon actual costs, explained as follows:
  - (i) Allocation for Retirement Rate & Plan changes (Funding Based on Actual Costs): Specific allocations and adjustments will be made for cost changes associated with the employer's share of employee (excluding marshals, and other security employees) retirement rates and costs of non-discretionary plan changes. The allocation will be made only for employer rate and plan changes for employees funded by Trial Court Trust Fund non-grant allocations. Allocations will be made based upon confirmation by the courts that these costs have been incurred. In the event a court experiences a reduction in retirement costs, the projected savings will be adjusted from the court's retirement baseline to be made available as an offset for courts that are experiencing cost increases.
  - (ii) Allocation for Judicial Council Approved Priorities (Funding Based on Actual Costs): Allocations of Judicial

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Council approved one-time or ongoing funding for specific areas of trial court costs based upon recommendations from the Trial Court Budget Working Group (with input which may be provided by presiding judges, court executives, employee organizations, and other advisory groups) may be made from funding provided by the SAL funding adjustment.

- c. The Template also displays the total funds that are available for allocation for the following components of funding: Court Allocations (Inflation & Workforce and Workload Growth & Equity), Security, Trial Court Reimbursement & Local Assistance Funding, and Scheduled Reimbursement and Local Assistance Funding. The specific allocations are discussed below.
  - (i) Inflation & Workforce: The allocation for this component is based upon the Inflation & Workforce adjustment factor which is derived from the California Per Capita Income component of the SAL growth factor. The Inflation & Workforce adjustment factor is applied to a prorated share of the court's employee Trial Court Trust Fund non-grant personal services budget to determine the funding adjustment. The allocation of this funding is available, at the discretion of the court, to meet the various operational costs, including cost increases for employee (excluding marshals or other security employees) compensation, workers' compensation costs that are the result of actual losses incurred by each court as determined by the annual actuarial workers' compensation report for courts in the Judicial Branch Workers' Compensation Program, and for all workers' compensation costs for courts that are not in the program. This allocation may also be used at the court's discretion to add staffing, expand programs, increase the use of overtime and temporary help, to pay

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for increases in various operating expense and equipment line items, or to address any other court identified needs.

- (ii) **Workload Growth & Equity:** The allocation for this component is based upon the Workload Growth & Equity adjustment factor which is derived from the portion of the SAL growth factor that is related to growth in California population. The funding provided by this allocation will provide resources to address one or more of the following priority items each year: 1) allocations to under-resourced courts as determined by the Resource Allocation Study; and 2) support costs associated with new Judgeships added in future years. In the event that the population related SAL growth factor results in a negative Workload Growth & Equity factor in a future year, the application of the Inflation & Workforce funding will be adjusted to reflect the effect of the negative factor. Courts that receive funding based upon the Resource Allocation Study model are required to report to their AOC Regional Administrative Directors on how the funds were used and the benefits they received from the funding. The AOC Regional Administrative Directors will report these findings at the April meeting of the Judicial Council.
- (iii) **Security:** The percentage increase in the allocation for court security costs will be equal to the annual SAL growth factor. The allocation is intended to cover employee salary, benefit, and retirement increases (including costs for marshals and other security employees), as well as workload and operating expense increases. The allocation of funding for court security may only be used for security costs, and may not be redirected for any other purpose. This policy is meant to ensure that there will be a secure and reliable funding source for current and future security costs. Allocations of the security funding will be prorated to each court

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based upon need, as determined by the security standard allocation methodology. (Note: Though this section of the Template demonstrates the funds available for security costs based upon the SAL growth factor only, additional funding for security costs may be made available through the Allocation for Judicial Council Approved Priorities process, or through the Budget Change Proposal process, if appropriate.)

- (iv) Trial Court Reimbursement & Local Assistance Funding: Adjustments in the base allocations for the unscheduled reimbursable trial court costs including Court Appointed Counsel, Jury, and Processing of Elder Abuse Protective Orders will be established based upon projected needs. The allocation amount for each of the programs will be determined based upon prior year actual expenditures and current year projected expenditures, with adjustments to address estimated changes in workload, costs, or other known cost driving factors. The allocations for these costs will be made on a reimbursement basis.
- (v) Scheduled Reimbursement & Local Assistance Programs: The following programs are scheduled in the Budget Act and will receive an adjustment based upon the SAL growth factor: Court Interpreters, Court Appointed Special Advocate (CASA), Model Self-Help Program, Family Law Centers, and Civil Case Coordination. Funding for these programs will be allocated on a reimbursement basis. Beginning in FY 2006-2007, increases in Court Interpreter employee compensation costs will be made consistent with the methodology for allocation of increases in trial court employee compensation. For programs which are not scheduled in the Budget Act (Extraordinary Homicide Trials, Prisoner Hearings, and Service of Process for Protective Orders), the budgets will be adjusted by the total SAL growth

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factor, but additional adjustments to the base funding in each of these programs in any fiscal year may be made as long as the total adjustments net to zero in the aggregate.

4. The Judicial Council has delegated the responsibility for adopting trial court budgeting policies and procedures and the annual schedule of budget development to the Administrative Director of the Courts<sup>4</sup>. The trial court budget development process, which ends with the legislature's approval of the state budget that becomes effective at the beginning of the fiscal year (July 1), is described in the following table.

#### **Trial Court Budget Development Process and Timeline**

<b>Activity</b>	<b>Purpose</b>	<b>Prepared/Issued By</b>	<b>When</b>
Make recommendations to the Judicial Council for BCPs to be submitted to the Department of Finance to address increases that are the result of changes in law or changed made by county government.	To report to and secure approval from the Judicial Council to submit BCPs to the Department of Finance to seek funding, on behalf of the trial courts, to meet workload needs that are not funded through the SAL allocation process	Administrative Office of the Courts, Finance Division	August-September
Prepare and submit BCPs to Department of Finance	To seek funding to address trial court costs that are the result of changes in law or changes made by county government, but are not funded by the SAL allocation process to ensure that the courts have sufficient funding to meet mandates.	Administrative Office of the Courts, Finance Division, program staff, and program experts	September-October
Review and make recommendations to the Department of Finance for necessary language or funding changes for the Statewide Trial Court Budget.	To ensure that the proposed Governor's Budget reflects the agreements reached with the Department of Finance and is consistent with statutory authority related to the judiciary budget.	Administrative Office of the Courts	October-December

<sup>4</sup> Government Code 77202 (b).

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### **Trial Court Budget Development Process and Timeline**

<b>Activity</b>	<b>Purpose</b>	<b>Prepared/Issued By</b>	<b>When</b>
Discussions to finalize the Governor's Budget	To reach agreement on the proposed judiciary budget as presented in the Governor's Budget	Chief Justice, Administrative Director and Governor	November-December
Complete initial SAL allocation projections & make recommendations to the Trial Court Budget Working Group for Judicial Council priority funding.	To secure Trial Court Budget Working Group review and approval of initial SAL allocation projections and recommendations for Judicial Council funding areas.	Administrative Office of the Courts, Finance Division, program staff, and program experts	January-February
Analyze and make recommendations to the Legislature on the Judiciary budget included in the Governor's Budget	To determine the reasonableness of the Judiciary budget and the availability of resources to fund it.	Legislative Analyst's Office	February
Budget Development Workshops	To assist the trial courts in understanding the budget development and allocation process, or other components of the process including allocations based upon the Resource Allocation Study, preparation of the 7A Salaries and Wages document, or other topics of interest as needed.	Administrative Office of the Courts, Finance Division	January-April
Legislative Budget Hearings	To provide the Judicial Council opportunities to support its budget before the legislative fiscal committees and employee representative groups	Senate Budget & Fiscal Review Committee, Assembly Budget Committee, various employee representative groups	March-May
Develop and send cost surveys to courts for Retirement, Security, or other areas of cost as needed to develop SAL allocations.	To determine the amount of SAL adjustment funding that will be needed to address retirement costs, and to determine the allocations for security based upon the SAL growth factor and the security standards.	Administrative Office of the Courts, Finance Division	March-April

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### **Trial Court Budget Development Process and Timeline**

<b>Activity</b>	<b>Purpose</b>	<b>Prepared/Issued By</b>	<b>When</b>
Issue May Revision of Revenues and Expenditures	To update the State's fiscal condition, including an update of the SAL growth factor	Department of Finance	Mid-May
Reply to AOC with information requested on Cost Information Surveys	To provide AOC with estimated costs for expenditure areas for development of the SAL allocation model.	Trial Courts	May-June
Finalize the SAL allocation model using the latest SAL growth factor, latest 7A information, and information from the cost information surveys	To determine the funding allocations for the next fiscal year.	Administrative Office of the Courts, Finance Division	June-July
Budget Act	To provide appropriations for the operation of State government, include the trial courts, for the upcoming fiscal year.	Legislature/Governor	July 1 or upon the Governor's signing of the Budget Act
Submission of 7A Salaries and Wages to the Administrative Office of the Courts	To provide the Administrative Office of the Courts with updated 7A information for input to the SAL allocation process	Trial Courts	July
Recommend tentative allocations to the Judicial Council and notify courts of the pending allocation totals; seek Judicial Council approval to make final adjustments to the allocations once all updated cost information is received	To provide the Judicial Council and the Courts with allocation information so the courts are able to begin their budget development process.	Administrative Office of the Courts	June-July



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### **Trial Court Budget Development Process and Timeline**

<b>Activity</b>	<b>Purpose</b>	<b>Prepared/Issued By</b>	<b>When</b>
Finalization of SAL allocation model and release of initial allocations.	To provide the trial courts with their final budget allocation totals and the initial funding allocation.	Administrative Office of the Courts	August, or upon the Governor's signing of the Budget Act.

### **6.2.2 Trial Court Budget Development Activities**

1. **Budget Evaluation.** Monitoring budget performance is critical to evaluating the court's success in meeting current year objectives and is also the first step in planning the budget for next year's operations. The trial court should track revenues and expenditures against its budget to assure that expenditures do not exceed available funding. The court's monthly internal reports and Quarterly Financial Statements are useful budget evaluation tools.
2. **Budget Planning.** The trial court has a strategic plan in place for effective operation, management of increased service demands, and improved service delivery. The trial court's budget is a formal statement of how the court will meet its objectives in the coming year.
3. The trial court will responsibly evaluate and prioritize the resources it needs to address increases in workload, changes in services mandated by statute, improved administration and operation, and enhanced services to meet the goals of its strategic plan, to ensure that the funding providing by the SAL allocation process adequately meets the court's needs.
4. It is essential to the success of the trial court that judges and non-judicial staff give budget development a high priority to prepare an accurate and all-inclusive budget for the court.

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## 6.3 Budget Program Structure

### 6.3.1 Program Structure

The trial court Budget Program Structure is broken into four levels- Program, Element, Component, and Task (PECT). Each successive level provides additional detail that is used to develop, organize, and manage the trial court budget as follows:

- a. **Program:** This is the summary level, which includes all elements of Trial Court Operations – Program 10 and Court Administration – Program 90. Court Administration is reflected as a distributed expense against trial court operations in the Schedule 1 - Baseline Budget.
- b. **Element:** This is the second level of budget detail, which breaks down the two programs into the major court operations and administration elements.
- c. **Component:** The Component level is the third level of budget detail. It further segregates trial court operations funds into categories for different types of court cases and other support services.
- d. **Task:** The task level is the most detailed budget category. It is used to segregate funds within the Criminal and Family and Children components (of the Trial Court Operations Program, Case Type Services element).

The trial court Budget Program Structure, showing the relationship between programs, elements, components, and task and the associated numbering conventions is summarized in the table provided in the Appendix.

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## 6.4 Baseline Budget Development

1. Responsibility for developing the baseline budget lies with the trial court. The AOC Finance Division issues an annual Baseline Budget Development Package that specifies the procedures and schedules for developing the baseline budget. The baseline budget covers both the current year and budget request year. The trial court must complete the following schedules to establish its baseline budget:
  - a. **Schedule 7A – Salary and Position Worksheet.** The baseline budget process starts with an estimate of the cost of personal services (salaries and wages), which is the largest component of the trial court budget. Schedule 7A is a listing of all authorized positions, their salaries, and the associated benefit costs for each position.
  - b. **Schedule 1 – Baseline Budget.** The complete operating budget for the trial court based on existing resources makes up the baseline budget presented in Schedule 1. The Baseline Budget provides a comprehensive financial plan for the trial court. It also establishes the financial condition of the court through the fund condition statement. The Baseline Budget identifies all resources available to the trial court including: fund balances, funding from Judicial Council allocations, grant funding and other local revenue. It also identifies all trial court costs including the personal services amounts from Schedule 7A, as well as operating expense and equipment items. Schedule 1 is prepared at the summary object of expenditure level according to the program budget structure used in the state trial court budget process (see Section 6.3).
2. The Baseline Budget also includes the following table and schedules to assist the trial court:
  - a. Baseline Development Table.
  - b. Schedule 2 – New Position Salary and Benefit Worksheet.
  - c. Schedule of Equipment.

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- d. Schedule of Contractors.
- e. Grant Schedule.

## 6.5 Budget Implementation

1. Budget implementation is a two-step process of establishing control over available resources and then executing operations consistent with the adopted budget plan.
2. The trial court is responsible for managing its budget within available resources and in compliance with prescribed rules and regulations. Ultimately this responsibility resides with the Presiding Judge, who has authority over the general operation of the trial court. The Presiding Judge may delegate the responsibility for budget matters according to the California Rules of Court.
3. It should be noted that in certain circumstances a “person who incurs any expenditure in excess of the allotments or other provisions of the fiscal year budget is liable both personally and on his official bond for the amount of the excess expenditures.”<sup>5</sup>

### 6.5.1 Establishing Budgetary Control

1. Budget controls are mechanisms to ensure that the trial court’s resources are expended in a manner consistent with the court’s priorities. The court’s baseline budget is the key internal control for effective operations. As the court prepares its Salary and Position Worksheet (Schedule 7A) and allocates its known resources between programs, elements, components, tasks (PECT), and objects of expenditure (Schedule 1), a starting point is created by which the court can measure itself to evaluate its performance.

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<sup>5</sup> Government Code 13324.

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2. System-wide budget revision and transfer policies are specified in Policy No. FIN 4.02 of this manual.
3. The trial court is responsible for developing internal policies regarding the internal allocation and transfer of moneys between programs, elements, components, tasks and objects of expenditure. At minimum, the following shall apply:
  - a. Money allocated to the trial court by the Judicial Council shall be used for “court operations” as defined in GC 77003.
  - b. Money allocated to the trial court by the Judicial Council from the State Trial Court Trust Fund, as defined by California Rule of Court 810, is limited to Rule 810 allowable expenses. Under no circumstances will these funds be transferred for purposes that are not Rule 810 allowable.
  - c. Under no circumstance will grant funds received by the trial court from the Judicial Council or any other governmental body be expended for any purpose other than that specifically provided by the grantor.
  - d. Under no circumstance shall the court incur obligations greater than the expenditure limits imposed by the available resources.

### **6.5.2 Budget Execution**

1. Once plans, resources and controls are in place the trial court executes its operating plan, thereby incurring operating expenses and receiving revenues. As part of this process, encumbrances are established to account for contracts and purchase orders. Payments are made and received consistent with the policies set forth in this manual. Expenditure limits based on Judicial Council and internal allocations and policies on the movement of funds guide how the court may accommodate necessary modifications to its budget plan.

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2. Trial court revenue and expenditure processing is specifically addressed in Policy No. FIN 5.02 of this manual.

## **7.0 Associated Documents**

### **Trial Court SAL Growth Factor Allocation Template**

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## TRIAL COURT SAL GROWTH FACTOR ALLOCATION TEMPLATE

### ADJUSTED SAL GROWTH FACTOR

Inflation & Workforce	0.000%
Workload Growth & Equity	<u>0.000%</u>
Total Adjusted SAL Growth Factor	0.000%

### SAL GROWTH FACTOR

Inflation & Workforce	0.00%
Workload Growth & Equity	0.00%
Total SAL Growth Rate	0.00%

	A	B	C
	Base Budget Amount	SAL/Other Factor	SAL Adjustment* (A x B or Actual)
<b>2005-2006 SAL FUNDING ADJUSTMENT</b>			
Plus Excess Funds from Trial Court Trust Fund			
Transfer From Trial Court Trust Fund to Trial Courts			
Transfer To/From Trial Court Employee Retirement Account			
<b>TOTAL FUNDS AVAILABLE FOR ALLOCATION</b>			
<b>I. FUNDING BASED ON ACTUAL COSTS:</b>			
A. Retirement Funding For Rate & Plan Changes			
B. Interpreter Benefits Above SAL			
C. Trial Court Staffing & Operating Expenses for New Facilities			
<b>TOTAL FUNDING BASED ON ACTUAL COSTS</b>			
<b>FUNDS AVAILABLE FOR ALLOCATION TO COURTS:</b>			
<b>II. Court Allocations (Excluding Security)</b>			
A. Inflation & Workforce			
B. Workload Growth & Equity			
<b>TOTAL COURT ALLOCATIONS (EXCLUDING SECURITY)</b>			
<b>III. Security</b>			
<b>IV. Trial Court Reimbursement &amp; Local Assistance Funding</b>			
A. Unscheduled Reimbursement Programs			
1. Court Appointed Counsel			
2. Jury			
3. Processing of Elder Abuse Protective Orders			
4. Civil Case Coordination			
B. Scheduled Reimbursement & Local Assistance Programs			
1. Interpreters			
a. SAL Growth Factor			
2. Extraordinary Homicide Trials			
3. Prisoner Hearings			
4. Services of Process for Protective Orders			
5. Other Local Assistance			
a. Drug Courts			
b. CASA			
c. Model Self-Help Program			
d. Family Law Information Centers			
<b>TOTAL TRIAL COURT REIMBURSEMENT &amp; LOCAL ASSISTANCE PROGRAMS</b>			
<b>TOTAL FUNDING ALLOCATED TO COURTS</b>			
* SAL adjustment amount rounded to nearest thousand by Department of Finance			